

**DEPARTMENT OF COMMERCE AND
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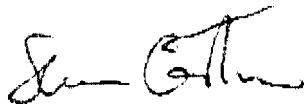
February 24, 1997

RECEIVED**FEB 24 1997****FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY**William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Rm 222
Washington, D.C. 20037Re: Alaska Public Utilities Commission's Comments in Response to Notice of Proposed
Rulemaking in CC Docket No. 97-11

Dear Mr. Caton:

The Alaska Public Utilities Commission hereby withdraws its comments in this
docket dated February 21, 1997 and replaces them with the attached comments dated
February 24, 1997.

Sincerely,

Sam Cotten, Chairman
Alaska Public Utilities CommissionNo. of Copies rec'd
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RECEIVED

FEB 24 1997

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
Implementation of Section 402(b)(2)(A)) CC Docket No. 97-11
of the Telecommunications Act of 1996)

COMMENTS OF THE
ALASKA PUBLIC UTILITIES COMMISSION

Date: February 24, 1997

Sam Cotten, Chairman
Alaska Public Utilities Commission
1016 West Sixth Avenue, Suite 300
Anchorage, Alaska 99501

Alaska Public Utilities Commission
1016 West Sixth Avenue, Suite 400
Anchorage, Alaska 99501
(907) 276-6222; TTY (907) 276-4533

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
Implementation of Section 402(b)(2)(A) of) CC Docket No. 97-11
the Telecommunications Act of 1996)

COMMENTS OF THE
ALASKA PUBLIC UTILITIES COMMISSION

Summary

1. The Alaska Public Utilities Commission (APUC) is concerned that the Commission's streamlined discontinuance procedures will permit the removal of existing service that is essential to ensure public interest, convenience, and necessity.

2. Even though Alascom is governed by dominant carrier rules (at least in locations where it has a facilities monopoly), the APUC believes that the streamlined procedures proposed are inadequate to guarantee continued availability of interexchange service.

Discussion

The Commission seeks comment on whether the streamlined discontinuance procedures set forth in Section 63.71 of its rules¹, which currently apply only to domestic non-dominant carriers²,

¹

²"Under current Section 63.71 of our rules, non-dominant carriers seeking to reduce or discontinue service are required to notify all affected customers in writing of the planned discontinuance, reduction or impairment of service unless the Commission authorizes another form of notice in advance. Non-dominant carriers must also file with the Commission an application that includes

1 should be applied to all domestic common carriers.

2
3 The APUC is concerned that the Commission's streamlined discontinuance procedures will
4 permit the removal of existing service that is essential to ensure public interest, convenience, and
5 necessity. Alascom, Inc. d/b/a AT&T Alascom (Alascom) remains the sole carrier offering facilities
6 based long distance services to the vast majority of communities in rural Alaska. Other carriers
7 wishing to originate or terminate interstate or intrastate interexchange services must use Alascom to
8 connect to these rural locations. Given this situation, Alaskans are dependent upon Alascom for the
9 provision of toll services in most rural areas and Alascom has the potential to exercise market power
10 absent regulatory intervention. If Alascom were to discontinue service at one or more of its facilities
11 monopoly locations, it is unlikely that another carrier would have the financial and physical capability
12 to provide alternative service on short notice. Relaxation of the standards regarding the discontinuation
13 of service can, therefore, have a dramatic effect on the quality and availability of services to rural
14 Alaska.

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16 The APUC believes that Alascom is governed by dominant carrier rules, at least in locations

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20 a description and the date of the planned discontinuance, reduction or impairment, the geographic
21 areas of service affected, the dates and method of notice given to customers, and any other
22 information the Commission may require. The application is automatically granted on the thirty-
23 first day after its filing with the Commission, unless the Commission notifies the applicant within
24 that time that the grant will not automatically be effective." [FCC 97-6, para. 69]

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Currently dominant carriers must file a formal application with the Commission for a certificate
that neither the present nor future public convenience and necessity will be adversely affected.
[47 U.S.C.214(a)]

1 where it has a facilities monopoly³, yet there appears to be some confusion about this point in the
2 Commission's discussion in the NPRM. The NPRM seems to presume that all remaining dominant
3 carriers are LECs. At paragraph 71 the Commission states:

4
5 As local exchange markets becomes [sic] increasingly competitive, however, many
6 currently dominant LECs may find themselves under increasing pressure to reduce or
7 eliminate service in unprofitable areas. [emphasis added]
8

9 There is no comparable discussion of the pressure to reduce or eliminate unprofitable interexchange
10 services in unprofitable areas. The Commission's focus on local exchange carriers is further
11 highlighted when the Commission acknowledges its obligation to extend universal service protections
12 to unserved communities through the eligible carrier designation of Section 214(e) of the
13 Telecommunications Act of 1996. While the eligible carrier designation will likely apply to most
14 incumbent LECs, it is unclear at this time whether the eligible carrier designation will be extended to
15 interexchange services such as those provided by Alascom to remote communities in Alaska.


16 Even if Alascom is governed by dominant carrier rules in locations where it has a facilities
17 monopoly, the APUC believes that the streamlined procedures proposed are inadequate to guarantee
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20 "As a dominant interexchange carrier, Alascom is required to comply" with Part 64. Alascom
21 Cost Allocation Plan, AAD 94-119, 97-320, Para. 34 (Common Carrier Bureau, Feb. 10, 1997).
22 "...AT&T has ... committed to continue to comply with all the obligations and conditions set forth
23 in Alascom Authorization Order, the Market Structure Order, and the Final Recommended
24 Decision." [Order, FCC 95-427, In the Matter of Motion of AT&T Corp. to be Reclassified as
25 a Non-Dominant Carrier, paragraph 114.] "Alascom is governed by dominant carrier rules where
26 it has a facilities monopoly, namely, the Bush areas." [Order, FCC 95-427, In the Matter of
Motion of AT&T Corp. to be Reclassified as a Non-Dominant Carrier, footnote 329]

1 Commission will prevent a discontinuation of service pending public review. The only automatic
2 trigger is one which automatically grants a utility's discontinuance should the Commission fail to
3 respond by the 30th or 60th day. Finally, it is unclear to what extent, if at all, the eligible carrier
4 designation under Section 214(e) will provide protections to interexchange customers facing the loss
5 of their sole service provider. At a minimum, we suggest that all carriers seeking to exit an interstate
6 telecommunications service market be required to provide timely notice to state regulatory
7 commissions in the states to be exited (or states in which communities will be exited). In the case of
8 dominant or essential telecommunications carriers, such notices should be given at least 60 days in
9 advance.

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11 RESPECTFULLY SUBMITTED this 24th day of February, 1997

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16 By: Commissioner Sam Cotten
Chairman of the Alaska Public Utilities Commission

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